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~~US ARMY SECRETARY'S OFFICE~~

EDIC/AM-4
Control No.
17 January 1955

MEMORANDUM FOR: Economic Defense Intelligence Committee
FROM : Executive Secretary, EDIC
SUBJECT : Statement on Distribution of Current Economic
Defense Intelligence to Action Agencies

1. The following summarizes, for information of EDIC agencies, the situation regarding distribution of current economic defense intelligence to action agencies and is based on EDIC discussions of November/December 1954.

a. At the 4 November meeting it was acknowledged "that adequate procedures exist for transmittal of enforcement intelligence through the DCN mechanism". EDIC/AM-2 points out that through DCN "and other interagency mechanisms of which the Administrative Action Panel (AAP) is an example, enforcement intelligence is collated, analyzed and transmitted from intelligence to action agencies."

b. EDIC was requested to determine "how effective and timely is the distribution of other current economic defense intelligence and of whether the needs of action agencies have been adequately expressed to intelligence agencies." An extended discussion at the 4 November meeting questioned the adequacy of distribution of intelligence from the military services, it having been concluded that "distribution of

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intelligence from CIA and State to action agencies was already being handled adequately." In this first discussion of the subject the Acting Chairman "emphasized the responsibility of the intelligence community to pass such material to action agencies but cautioned that it was a mistake for action and policy agencies to leave surveillance of incoming material entirely to the intelligence community." He also corrected the misconception of several of the members who assumed that the CIA reading panel "distributes to action agencies intelligence received in CIA from the military services."

c. At the meeting of 9 December the OSD member reported "that the three services have received requirements from Commerce and State and that, in addition, a State reader scans and selects incoming material in G-2, AFOIN, and ONI". He reported further that none of the services had received reading requirements from MDAC.

d. Finally, at the 21 December meeting the MDAC representative reported that "to correct the deficiency indicated at the previous meeting, MDAC had submitted such requirements for economic defense intelligence with the three services." At that time the Commerce member indicated that "there is satisfactory distribution of such information in Commerce and that arrangements have been made between the Investigation Staff and OSD for direct flow of enforcement intelligence."

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2. It would appear, therefore, that satisfactory arrangements existed prior to the EDIC inquiry for distribution of current economic defense intelligence (both of enforcement and non-enforcement nature) to most action and policy agencies, and that as a result of this inquiry MDAC has taken steps necessary to obtain such information from the three military services.

3. A related problem, however, was raised at the 21 December meeting by the Commerce member who declared that "JOC believes that in some respects technical information is of greater value than intelligence now being received in making determinations on the strategic ratings of specific commodities." Commerce, therefore, may make a special effort to establish closer liaison with technical elements in the Department of Defense. A corollary result of the discussions outlined above was the decision that it would be of mutual advantage to EDIC and the Department of Commerce to have representation on EDIC from the research element of that Department. Also pertinent in this context is the issuance by G-2 of an Intelligence Collection Guide (and anticipated similar action by AFOIN and ONI) [REDACTED] in the collection of economic defense intelligence.

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